THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) and (c) Various issues concerning implementation of VAT by States/ Union Territories were discussed. The issue of variation in the rates among the States was also discussed.

(d) As VAT is a tax intended to replace the State Sales Tax, it is a State subject. Therefore, any steps in this regard are to be taken by the Empowered Committee and State Governments.

Unfair means for recovery of dues against credit cards

4255. SHRIMATI S.G. INDIRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the ICICI Bank Ltd. is adopting third degree methods through anti-social elements to recover the dues against credit cards issued by the wing of the said bank;

(b) whether it is also a fact that the Reserve Bank of India had already issued guidelines not to adopt these kinds of measures to recover dues against credit cards or loan amount; and

(c) if so, the action taken by Government to ensure that the operations of Banks are strictly performed as per the guidelines of RBI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Government has been receiving representations from individuals and different organizations regarding grievances relating to credit cards against the credit card issuing banks including ICICI Bank Ltd.

(b) Reserve Bank of India has issued guidelines to Scheduled Commercial Banks on Fair Practice Code in May 2003 advising banks to formulate guidelines duly approved by their Board of Directors. In terms of the guidelines, the banks have been advised not to resort to undue harassment of the borrowers including credit card holders. Further, on the advice of RBI, Indian Bank Association (IBA) has also formed a Working Group to examine the issue of evolving a Fair Practices Code for credit card issuers as well as a draft code of conduct for Direct Sale Agents.

(c) Government/RBI also refer specific credit-card related complaints received from individual/association to concerned banks for redressal and appropriate remedial action.